

Message Text

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INFO AMEMBASSY ABU DHABI

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USINT BAGHDAD

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMEMBASSY DHAHRAN

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY ROME

AMEMBASSY SANA

AMEMBASSY TEHRAN

USDOC WASHDC

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ATHENS FOR RTDO

USDOC FOR CAGNE

E.O. 11652 N/A

TAGS: ETRD JO

SUBJECT: JORDANIAN LAW GOVERNING REGIONAL OFFICE LOCATION IN
JORDAN

REF: AMMAN A-115 (NOVEMBER 10,1975)

SUMMARY: GOJ HAS PASSED IMPORTANT LAW, TO TAKE EFFECT
NOVEMBER 16, ACCORDING GENEROUS AND WIDE-RANGING CONCESSIONS
INTENDED TO ATTRACT REGIONAL HEADQUARTERS OF FOREIGN FIRMS TO
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JORDAN. THIS STEP SHOULD SIGNIFICANTLY INCREASE ATTRACTIVENESS

OF JORDAN TO AMERICAN AND OTHER FOREIGN FIRMS CONTEMPLATING
ESTABLISHMENT OF REGIONAL OFFICES IN THE AREA. END SUMMARY.

1. JORDANIAN CABINET HELD SPECIAL SESSION ON NOVEMBER 9 TO
DISCUSS JORDAN ECONOMIC COMMERCIAL LEGISLATION, WITH LAW COVERING
FOREIGN FIRM REGISTRATION PROCEDURES AND CONCESSIONS OF
PRIORITY CONSIDERATION. (ADVANCE RUMORS OF LAW HAVE BEEN
CIRCULATING FOR SOME TIME AND ARE COVERED IN REF AIRGRAM).
MEDIA ANNOUNCEMENTS OF 10 NOVEMBER 75, PLUS MISSION INQUIRY
TO GOJ OFFICIALS CONFIRM THAT LAW WAS PASSED AND IS TO TAKE EFFECT
AS OF 16 NOVEMBER 75. OFFICIAL TEXT BEING PREPARED FOR PUBLICATION
IN OFFICIAL GAZETTE; BUT UNOFFICIAL ACCOUNT OF TEXT CONTAINING
MAJOR CONCESSIONS AND PROCEDURES, PRINTED IN NEWSPAPERS, IS OUTLINED
BELOW. INQUIRY TO GOJ CONFIRMED THAT NEWSPAPER STATEMENTS ARE
CORRECT.

2. PROVISIONS OF NEW LAW ARE:

A. MINISTRY OF TRADE AND INDUSTRY MUST ACT ON FOREIGN FIRM
APPLICATIONS FOR REGISTRATION WITHIN ONE WEEK.

B. PROFITS EARNED BY FOREIGN FIRM ARE COMPLETELY EXEMPT
FROM SOCIAL SECURITY LAND INCOME TAXES.

C. FIRMS ARE EXEMPT FROM REQUIRED MEMBERSHIP IN, OR
OBLIGATION TO, ANY CHAMBERS OF INDUSTRY, COMMERCE, OR ANY TRADE
UNION.

D. FIRMS ARE EXEMPT FROM ALL TRADE LICENSES AND ASSOCIATED
FEES, INCLUDING MUNICIPAL AND HEALTH LICENSES AND FEES.

E. EXEMPTIONS ON CUSTOMS DUTIES AND FEES FOR ALL IMPORTED
FURNITURE AND EQUIPMENT NECESSARY FOR THE ESTABLISHMENT OF
SUCH AN OFFICE.

F. FIRMS ARE ALLOWED TO BRING BUSINESS RELATED SAMPLES
AND GOODS INTO THE COUNTRY WITHOUT PRIOR APPROVAL OR FEES.

G. ALL EXPATRIATES ASSOCIATED WITH THE FIRM ARE EXEMPT
FROM ALL INCOME AND SOCIAL SECURITY TAXES, AND FROM CUSTOMS
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DUTIES AND FEES ON HOUSEHOLD GOODS AND PERSONAL EFFECTS, AND
ARE ALLOWED DUTY-FREE IMPORTATION OF ONE PERSONAL AUTOMOBILE
EVERY TWO YEARS.

H. SPECIAL RENEWABLE RESIDENCE PERMITS GOOD FOR TWO YEARS
WILL BE ISSUED TO EXPATRIATES.

I. FIRMS MAY OPEN UNLIMITED FOREIGN CURRENCY ACCOUNTS AT

ANY LICENSED BANK, AND MAY TRANSFER UNLIMITED AMOUNTS OF FOREIGN CURRENCY INTO OR OUT OF THE COUNTRY WITHOUT PRIOR APPROVAL.

3. IN SAME SESSION, CABINET ALSO ADOPTED A NEW TEMPORARY HOUSING LAW DESIGNED TO EASE CURENT HOUSING AND OFFICE SHORTAGE. LAW ALLOWS HOUSING BANK TO UNDERTAKE AND EXPEDITE NEW HOUSING AND CONSTRUCTION PROJECTS, TO REDUCE CURRENT INTEREST RATES, AND TO INCREASE TERMS OF LOANS FROM 15 TO 20 YEARS. CABINET ALSO AGREED TO ESTABLISHMENT OF AN AMMAN CURRENCY EXCHANGE/STOCK MARKET, DETAILS OF WHICH WILL BE SPELLED OUT SOON.

4. FULL OFFICIAL TEXT OF NEW REGULATION WILL BE FORWARDED AS SOON AS IT IS PUBLISHED IN OFFICIAL GAZETTE.

5. COMMENT BY SEPTEL. PICKERING

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